



State of Georgia Department of Revenue

2004 Corporation Income Tax Forms and General Instructions

FROM THE COMMISSIONER

This booklet is designed to provide information and assist corporations in filing their Georgia corporate tax returns. On Page 2 is a "New Information" section that I recommend you review to determine if the changes affect your return.

This booklet contains the forms and schedules required by most corporations. If you need additional forms or copies of forms, we encourage you to visit our web site at www.gatax.org. There you can download forms and always obtain up-to-date tax information and news from the Department of Revenue. Forms are also available via fax-on-demand at 404-417-6011. A listing of useful telephone numbers is on Page 14.

Our mission and commitment is to serve Georgia's taxpayers in a prompt, courteous and professional manner and to effectively and fairly administer the State's tax laws. We welcome your comments and suggestions on how to more effectively accomplish this mission.

Bart L. Graham
Commissioner

INDEX	PAGE
Adjustments to Federal Income	4
Allocation and Apportionment of Income	5
Computation of Income Tax	4
Consolidated Returns	3
Double-Check List and Common Errors	19
Electronic Funds Transfer	11
Estimated Income Tax	11
Extensions	13
Filing Requirements	3
Form 602-ES	12
Net Worth Tax Instructions	7
New Information	2
Payment of Tax Before Return is Filed (Form 560C)	10
Penalties and Interest	3, 4, 7
Tax Credits/Business Incentives	15-18
Tax Exempt Organizations	14
Telephone Assistance	14
Two-Dimensional Barcode Returns	13
When and Where to File	3

NEW INFORMATION

Federal Tax Changes

Jobs and Growth Tax Relief Reconciliation Act of 2003 and Job Creation and Worker Assistance Act of 2002.

Georgia has adopted the provisions of these acts (as they relate to the computation of Federal taxable income) for taxable years beginning on or after January 1, 2004, except for I.R.C. Section 168(k) (30% and 50% bonus depreciation) and Section 1400L (tax benefits for the New York Liberty Zone) which are treated as if they are not in effect. Further, I.R.C. Section 179(b) is treated as it was in effect before enactment of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Depreciation Differences. Depreciation differences due to the 2002 and 2003 Federal acts mentioned above should be handled in the following manner. If the taxpayer has depreciation differences that are attributable to both the 2002 and 2003 Federal acts, it is not necessary to make a separate adjustment for each act.

A. Depreciation must be computed one way for Federal purposes and another way for Georgia purposes. To compute depreciation for Federal purposes, taxpayers should use the 2004 IRS Form 4562 and attach it to the Georgia return. This amount should be entered on Page 2, Schedule 4, Line 5 along with the words "2002 JCWA/2003 JGTRRA Depreciation Adjustment".

B. Depreciation must also be computed for Georgia purposes. Taxpayers should use Georgia Form 4562 to compute depreciation for Georgia purposes and attach it to the Georgia return. This amount should be entered on Page 2, Schedule 5, Line 2 along with the words "2002 JCWA/2003 JGTRRA Depreciation Adjustment". Georgia Form 4562 and related instructions can be obtained from our website at www.gatax.org or from any Revenue Office.

Additionally, any depreciation differences will affect the calculation of gain when the property is sold.

2004 Legislation

The following bills that relate to corporations were passed by the 2004 Georgia Legislature:

Job Tax Credit for Less Developed Areas – House Bill 984 (O.C.G.A. § 48-7-40.1) This bill changes the current law concerning the Job Tax Credit for less developed areas by: (1) adding any area comprised of one or more census tracts adjacent to a federal military installation where pervasive poverty is evidenced by a 15 percent poverty rate or greater; (2) adding any area comprised of two or more contiguous census block groups with a poverty rate of 20 percent or greater, which is included within a state enterprise zone, where a redevelopment plan has been adopted, and displays pervasive poverty, underdevelopment, general distress and blight; (3) allowing any businesses located in the area described in (2) above to claim the job tax credit without being a defined business enterprise; (4) removing the requirement that 30 percent of new full-time jobs be held by residents of the less developed

area for which the credit is sought; and (5) allowing the credit to be used against 100 percent of the current income tax liability instead of 50 percent. This bill is applicable to taxable years beginning on or after January 1, 2004.

State and Local Tax Revision Act of 2004 - House Bill 1437 (O.C.G.A. §§ 48-1-2 and 48-2-32) The income tax provisions of this bill are as follows:

Section 2 – Annual Update Provision. The amendment to O.C.G.A. § 48-1-2 is the annual update to follow the I.R.C. as it exists on January 1, 2004. This update includes all applicable provisions of Federal tax legislation signed into law during 2003 (as they relate to the computation of Federal taxable income), except it specifically excludes I.R.C. Section 168(k) (30% and 50% bonus depreciation) and Section 1400L (tax benefits for the New York Liberty Zone). Further, it treats I.R.C. Section 179(b) as it was in effect before enactment of the Jobs and Growth Tax Relief Reconciliation Act of 2003. This section of the bill is applicable to taxable years beginning on or after January 1, 2004.

Section 3 – Bad Check Fee. The amendment to O.C.G.A. § 48-2-32 modifies the bad check fee the Department is allowed to charge. The minimum charge is now \$25 instead of the lesser of either the amount of the check or \$15. This section of the bill became law when the Governor signed the bill on May 13, 2004.

Section 4 – Penalty for Failure to Remit Withholding Tax. This section of the bill amends O.C.G.A. § 48-2-32 allowing the imposition of a penalty equal to 10 percent of the tax due if payment was required to be made in immediately available funds, such as via electronic transfer, but was not. This penalty is in addition to all other penalties provided for by law. This section of the bill became law when the Governor signed the bill on May 13, 2004.

False Claims of Independent Contractor Status – House Bill 1444 and Senate Bill 491 (O.C.G.A. § 48-7-127) These bills make it unlawful for any person knowingly to coerce, induce, or threaten an individual to falsely declare independent contractor status in order to avoid or evade the withholding or payment of tax. Individuals who violate this law in connection with contracts with the State or any political subdivision thereof, upon conviction are subject to a fine equal to the amount of tax owed for the first offense. Upon conviction of the second offense, the individual is subject to a fine equal to two times the amount of tax owed. Upon conviction of the third and subsequent offenses, the individual is subject to a fine equal to four times the tax owed. This bill is effective from July 1, 2004 through July 1, 2014.

Additional Job Tax Credit for Joint Authorities – Senate Bill 444 (O.C.G.A. § 36-62-5.1) This bill amends the statute to allow counties to belong to more than one joint authority. This bill also clarifies that the number of joint authorities a county belongs to will not increase the additional job tax credit

NEW INFORMATION (continued)

amount by more than \$500 for each new full-time employee. This bill became law when the Governor signed the bill on May 17, 2004.

CONSOLIDATED RETURNS

In 2002, the Department of Revenue adopted a new regulation concerning consolidated returns. This regulation is effective for tax years beginning on or after January 1, 2002. The regulation substantially changes the rules for filing consolidated returns. Visit our webpage at www.gatax.org for more information, including instructions on proper return preparation and mailing.

CORPORATE PARTNERS OF PARTNERSHIPS

A corporation will be considered to own property or do business in Georgia whenever the corporation is a partner, whether limited or general, in a partnership which owns property or does business in Georgia. Our regulations were amended in 2001 to reflect this. The amended regulations apply to taxable years beginning on or after January 1, 2002.

FREQUENTLY ASKED QUESTIONS

Frequently asked questions regarding corporations, S corporations, partnerships, LLC's, and nonresident withholding are available on our webpage. Visit our webpage at www.gatax.org for more information.

INCOME TAX

INTRODUCTION

The following instructions apply to two separate taxes on corporations. One is an income tax at a rate of 6% on taxable income. The second is a graduated tax based on corporate net worth. Instructions for the net worth tax begin on Page 7.

Both taxes must be paid annually. Schedule 3 of the return is designed to combine the liabilities, any penalty and interest due, and the credits for prepayment, resulting in a single balance due or overpayment.

FILING REQUIREMENTS

All corporations that own property or do business in Georgia are required to file a Georgia income tax return. Please round all dollar entries. A corporation electing to file under the Internal Revenue Code provisions for S corporations having one or more stockholders who are nonresidents of Georgia must file consent Form 600 S-CA on behalf of each nonresident. Failure to furnish a properly executed Form 600 S-CA for each nonresident stockholder negates Georgia's recognition of the election, requiring each corporation to file Form 600 and pay the regular corporate tax.

NOTE: If you use a software program or if you do not need a booklet next year, please fill in the circle on the upper left corner of the form.

WHEN AND WHERE TO FILE

The return is due on or before the 15th day of the 3rd month following the close of the taxable year. This means March 15th, if filing on a calendar year basis. Returns should be mailed to Georgia Department of Revenue, Processing Center, P.O. Box 740397, Atlanta, Georgia 30374-0397. Taxpayers claiming

credits on Schedules 9 and/or 10 should mail their returns to Georgia Taxpayer Services Division, P. O. Box 49431, Atlanta, Georgia 30359-1431. Taxpayers filing a consolidated return should mail it together with separate returns for the members of the consolidated group to Georgia Taxpayer Services Division, P. O. Box 49432, Atlanta, Georgia 30359-1432. See page 13 for mailing addresses regarding 2D barcode returns.

EXTENSION OF TIME

If a taxpayer receives from the Internal Revenue Service an extension of time to file the Federal return, the taxpayer need not apply to the Georgia Department of Revenue for a similar extension. See Page 13 for additional information.

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303. It must be filed on or before the date the return is due. Georgia law prohibits granting an extension for more than six months from the due date of the return.

LATE PAYMENT PENALTY

A taxpayer having a Federal extension must also prepay the Georgia tax using Form IT-560C. Credit for this prepayment should be claimed on Form 600, Schedule 3, Line 2. If tax is not paid by the statutory due date of the return, a late payment penalty of 1/2 of 1% per month will accrue until the tax is paid. This penalty will accrue from the statutory due date regardless of any extension for filing the return.

INCOME TAX (continued)

AMENDED RETURNS

Georgia has no separate form for filing an amended return. Please check the amended return block on Form 600. A copy of the Federal Form 1120X or federal audit adjustments must be attached. Mail the amended return to Georgia Department of Revenue, Processing Center, P.O. Box 740397, Atlanta, Georgia 30374-0397. Amended returns with credits on Schedules 9 and/or 10 should be mailed to Georgia Taxpayer Services Division, P. O. Box 49431, Atlanta, Georgia 30359-1431.

CLAIMS FOR REFUND

For tax years beginning before January 1, 2003, a claim for refund of tax paid must be made within three years from the date the tax was paid. Taxes which have been paid by either withholding or estimated tax are treated as having been paid on the regular due date of the return. An extension of time to file the return does not extend the deadline for filing a state claim for refund. For example, if payments were made with respect to the 2001 tax year on or before March 15, 2002 (due date for the 2001 tax year), the taxpayer must file any claim for refund by March 15, 2005. An extension of time to file the 2001 return does not change the March 15, 2005 deadline to file a claim for refund.

For tax years beginning on or after January 1, 2003, a claim for refund must be made within three years from the later of the date of the payment of the tax or the due date of the income tax return (including extensions which have been granted). For example, if payments were made with respect to the 2003 tax year on or before September 15, 2004 (extended due date for the 2003 tax year), the taxpayer must file any claim for refund by September 17, 2007 (this is because September 15 falls on a Saturday).

PENALTIES AND INTEREST

The Georgia Code imposes certain penalties as follows:

Delinquent filing of a return—5% of the tax shown on the return for each month or fractional part thereof—up to 25%.

Failure to pay tax shown on a return by the due date—1/2 of 1% of the tax due for each month or fractional part thereof—up to 25%.

Assessment of other penalties are as follows:

Negligent underpayment of tax—5% thereof.

Fraudulent underpayment—50% thereof.

Note: The combined total of the penalty for delinquent filing of a return and failure to pay tax shown on a return cannot exceed 25% of the tax indicated on the return.

Interest accrues at the rate of 12% per year from the due date for payment until the date paid in full. An extension of time for filing does not alter the interest charge or the penalty for late payment of tax.

COMPUTATION OF INCOME TAX

Georgia income tax is 6% of the Georgia taxable income shown on Schedule 1, Line 7. The amount of tax must be entered on Schedule 1, Line 8, and on Schedule 3, Line 1A.

RELATION TO FEDERAL RETURN

The Georgia return correlates to the Federal return in most respects (**see information on Page 2 about federal tax changes**). The taxable income shown on the Federal return is the basis to calculate Georgia taxable income, with adjustments as provided by Georgia law. The accounting period and method for the Georgia return must be the same as the Federal return. The Federal principles pertaining to execution of the return by an officer and the preparer apply to Georgia returns. A copy of the Federal return and all supporting schedules must be attached to the Georgia return.

If two or more corporations file Federal income tax returns on a consolidated basis and all such corporations derive all of their income from sources in Georgia, the corporations must file a consolidated return for Georgia income tax purposes. However, a separate net worth tax return must be filed by each subsidiary. The parent corporation should file its net worth tax return in Schedule 2 of the consolidated return but use only the parent's net worth for computing the tax due. Visit our website at www.gatax.org for instructions on proper return preparation and mailing.

Affiliated corporations which file a consolidated Federal income tax return, but derive income from sources outside of Georgia, must file separate income tax returns with Georgia unless they have prior approval or have been requested to file a consolidated return by the Commissioner of Revenue. Visit www.gatax.org for more information.

When a taxpayer entitled to a carry-back period for a net operating loss elects under I.R.C. Section 172(b)(3)(c) to forego the entire carry-back period and carry-forward only, such election is binding on the Georgia return.

If a federal audit results in a change in taxable income, the taxpayer shall file a return reflecting the changed or corrected net income within 180 days of final determination. Mail the return to: Georgia Taxpayer Services Division, P. O. Box 49432, Atlanta, GA 30359-1432.

ADJUSTMENTS TO FEDERAL INCOME

The Federal taxable income is the basis of computation of Georgia taxable income. Lines 2 and 4 of Schedule 1 provide the modifications required by Georgia Law. The total of additions to Federal income should be indicated on Schedule 1, Line 2 and listed in Schedule 4. Total subtractions from Federal income should be indicated on Schedule 1, Line 4 and listed in Schedule 5. The more commonly used items are listed in each of these schedules. **Additionally, adjustments due to federal tax**

INCOME TAX (continued)

changes should be reported as stated on Page 2.

A corporation which is a party to state contracts may subtract from Federal taxable income 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year. The Commissioner of the Department of Administrative Services maintains a list of certified minority subcontractors for the Revenue Department and general public. (To register as a minority subcontractor or to view the list, call 404-656-6315 or visit the DOAS website at www3.state.ga.us/departments/doas/pu/pummnr.html.)

If you claim a net operating loss deduction, you must file a complete statement detailing the sources for such deduction. (Attach a schedule.)

Corporations doing business both within and outside Georgia who incur a loss shall compute the net operating loss carryover deduction by allocating to Georgia only the amount of the loss attributable to operations within Georgia. This deduction shall be entered on Schedule 7, Line 8.

A net operating loss sustained for the current taxable year must be carried back and forward in the procedural sequence of taxable periods provided by Section 172 of the Internal Revenue Code of 1986, as it existed on January 1, 2004, and as adopted by Section 48-7-21 of the income tax laws of Georgia. Accordingly, for tax years beginning on or after January 1, 2004, losses should be carried back two years (with special rules for farmers and casualty losses). For tax years beginning prior to January 1, 2004, Georgia did not adopt the five-year carry-back and continued to use the two-year carry-back (with special rules for farmers and casualty losses) as provided under the old Federal law.

Georgia Taxes Deductible. There shall be added to taxable income any taxes on, or measured by, net income or net profits paid or accrued within the taxable year imposed by the authority of the United States or any foreign country, or by any state **except the State of Georgia**, or by any territory, county, school district, municipality, or other tax subdivision of any state, territory, or foreign country to the extent such taxes are deducted in determining federal taxable income. This includes federal environmental tax.

Where salaries and wages are reduced on the federal return in computing federal taxable income because of a Federal jobs tax credit, the eliminated salary and wage deduction should be listed in Schedule 5 as a subtraction from Federal taxable income.

ALLOCATION AND APPORTIONMENT OF INCOME

If any corporation, domestic or foreign, does business both within and outside Georgia, Schedules 6 and 7 should be used to compute Georgia taxable income.

The tax imposed by Georgia law applies to the entire net income

as previously defined, received by every corporation, foreign or domestic, that owns property or does business in this State. Every such corporation shall be deemed to be doing business in this State if engaged within this State in any activities or transactions for the purpose of financial profit or gain; whether or not such corporation is registered to do business in this State; whether or not it maintains an office or place of business within this State; whether or not any such activity or transaction is connected with interstate or foreign commerce. If the business income of the corporation is derived from property owned or business done within the State, and in part from property owned or business done outside the State, the tax is imposed only on that portion of the business income which is reasonably attributable to property owned and business done within the State, to be determined as follows:

(1) Interest received on bonds held for investment and income received from other intangible property held for investment are not subject to apportionment. Rentals received from real estate held purely for investment purposes and not used in the operation of the business are also not subject to apportionment. All expenses connected with the interest and rentals from such investments are likewise not subject to apportionment but must be applied against the investment income. The net investment income from intangible property shall be allocated to Georgia if the situs of the corporation is in Georgia or the intangible property was acquired as income from property held in Georgia, or as a result of business done in Georgia. The net investment income from tangible property in Georgia shall be allocated to Georgia.

(2) Gains from the sale of tangible or intangible property not held, owned or used in connection with the trade or business of the corporation, nor for sale in the regular course of business shall be allocated to the State if the property held is real or tangible personal property situated in the State, or intangible property having an actual situs or a business situs within the State. Otherwise, such gains shall be allocated outside the State.

(3) Net income of the above classes having been separately allocated and deducted, the remainder of the net business income shall be apportioned by application of the following:

THREE FACTOR FORMULA

(a) Property Factor. The property factor is composed of the average value of real and tangible personal property owned or rented and used during the taxable year. Property owned is valued at its original cost.

Property rented is valued at eight times the net annual rental rate. The net annual rental rate is the annual rental rate paid less any annual rental rate received from any subrentals. With respect to rented property, averaging is achieved automatically by determining the net annual rental rate of such property.

(b) Payroll Factor. The payroll factor is the ratio of all salaries, wages, commissions, and other compensation paid by the taxpayer in this State for personal services performed by

INCOME TAX (continued)

employees in connection with the trade or business of the taxpayer during the taxable year to the total salaries, wages, commissions, and other compensation paid by the taxpayer for personal services performed by employees in connection with its entire trade or business, wherever conducted, during the taxable year. Payments made to an independent contractor or any other person not properly classified as an employee are excluded. Compensation is paid in this State if the employee's service outside Georgia is incidental to the service performed in Georgia or a portion of the service is performed in Georgia and the base of operations from which the service is directed is in Georgia, or a portion of the service is performed in Georgia and the base of operations from which the service is directed is not in any State where some part of the service is performed, but the employee's residence is in Georgia.

(c) Gross Receipts Factor. The gross receipts factor is the ratio of gross receipts from business done within this State to total gross receipts from business done everywhere. Receipts shall be deemed to have been derived from business done within this State only if received from products shipped to customers in this State, or delivered to customers within this State.

The purpose of the gross receipts factor is to measure the marketplace for the taxpayer's goods and services. When receipts are derived from the sale of tangible personal property, receipts shall be deemed to have been derived from business

done in this State if received from products shipped to customers in this State or products delivered to customers within this State.

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if received from customers within this State, or if the receipts are otherwise attributable to this State's marketplace.

(d) The apportionment factors determined above shall be weighted 25% to property, 25% to payroll and 50% to receipts. If the denominator for either the property or payroll factor is zero, the weighted percentage for the other will be 33-1/3%, and the weighted percentage for the receipts factor will be 66-2/3%. If the denominator for the receipts is zero, the weighted percentage for property and payroll will change to 50% each. If the denominators for any two factors are zero, the weighted percentage for the remaining factor will be 100%.

(e) Apportionment of Income; Business Joint Venture and Business Partnerships. A corporation that is involved in a business joint venture, or that is a partner in a business partnership, must include its pro rata share of the joint venture's or partnership's property, payroll, and gross receipts values in its own apportionment formula.

NET WORTH TAX

INITIAL FILING AND DUE DATES

A new domestic or foreign corporation doing business or owning property in Georgia must file an initial net worth tax return on or before the fifteenth day of the third calendar month after incorporation or qualification. The initial net worth tax return is based on the beginning net worth (Federal Schedule L) of the corporation and covers the tax period from the date of incorporation/qualification to the end of the year. If this return is for a short period of less than six months, the tax due is 50%. The initial net worth return cannot be combined with the initial income tax return because the due dates do not coincide.

Thereafter, an annual return must be filed on or before the fifteenth day of the third month following the beginning of the corporation's taxable period.

EXTENSION OF TIME

If a taxpayer receives an extension of time from the Internal Revenue Service to file a Federal return, the taxpayer need not apply to the Georgia Department of Revenue for a similar extension. See Page 13 for additional information.

PENALTIES AND INTEREST

Penalties and interest may be avoided by payment of tax by the statutory due date of the return. Penalty for delinquent filing is 10% of tax due. Penalty for delinquent payment is 10% of tax due. In addition, interest at 12% per annum is due on a delinquent remittance from the due date until paid in full.

COMPUTATION OF TAX

The tax is graduated based on net worth. In the case of new corporations, this is the beginning net worth. Thereafter, it is the net worth on the first day of the corporation's net worth taxable year. Net worth is defined to include issued capital stock, paid in surplus and retained earnings. Treasury stock should not be deducted from issued capital stock.

Foreign corporations qualified in Georgia are taxable on the portion of net worth employed within Georgia as computed in Schedule 2, using the ratio computed in Schedule 8. To compute the ratio, the property factors will reflect total balance sheet assets within Georgia and

everywhere. This includes all intangible assets reflected on the federal return such as accounts receivable. Gross receipts factors are determined per the instructions on Page 6.

For net worth tax purposes, a foreign corporation is a corporation or association created or organized under the statutory laws of any nation or state other than Georgia.

Domestic corporations and domesticated foreign corporations are taxable on total net worth (100% ratio) and should not use the ratio computation in Schedule 8. For net worth tax purposes, a domestic corporation is a corporation or association created or organized under the statutory laws of Georgia. A domesticated foreign corporation is a foreign corporation which has agreed under the provisions of Georgia law to be treated as a domestic corporation and to be taxed on total net worth.

A dormant corporation must file a net worth tax return and pay the tax to retain its charter. A foreign corporation admitted into Georgia must file a net worth tax return until it has withdrawn from Georgia. A corporation with a deficit net worth pays the minimum tax of \$10.00. **A corporation which has been liquidated and is filing its final income tax return is not liable to file a net worth tax return.**

When two or more corporations file a consolidated return for income tax purposes, a separate net worth tax return must be filed by each subsidiary. Visit our webpage at www.gatax.org for more information, including instructions on proper return preparation and mailing.

NET TAX DUE OR OVERPAYMENT

Schedule 3 provides for the computation of net tax due or the net overpayment of the two taxes. Compute any penalty and interest due for the respective taxes and enter the amounts on the applicable lines.

FEDERAL SCHEDULE L REQUIREMENT

Schedule L must be completed on the Georgia copy of the Federal return, if for Federal purposes the Schedule L is not required to be completed because the assets and receipts do not exceed the federal limitation.

NET WORTH TAX (continued)

TREATMENT OF SHORT PERIOD NET WORTH TAX RETURN

All corporations filing a short period income and/or net worth Georgia tax return for any reason other than initial or final return shall compute the net worth in accordance with the following instructions:

The net worth tax shall be computed on the net worth per the ending balance sheet of the short period return. The tax is then prorated based on the number of months included in the short period return.

Note: Any short periods ending on the 1st through the 15th day of the month are backed up to the last day of the preceding month. Years ending on the 16th day or later are moved forward to the last day of that month.

EXAMPLE: Corporation A files a three-month short period return ending March 31, 2004. The Georgia taxable net worth per the March 31, 2004, balance sheet is \$90,000. The Georgia net worth tax is computed as follows: Tax per scale \$100.00 x 3/12 = \$25.00 net worth tax due.

NET WORTH TAX TABLE

DOMESTIC AND DOMESTICATED FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus, and earned surplus (Schedule 2, Line 4).

FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus, and earned surplus employed within Georgia (Schedule 2, Line 6).

Not exceeding	\$ 10,000.00			10.00
Over	10,000.00	and not exceeding	25,000.00	20.00
Over	25,000.00	and not exceeding	40,000.00	40.00
Over	40,000.00	and not exceeding	60,000.00	60.00
Over	60,000.00	and not exceeding	80,000.00	75.00
Over	80,000.00	and not exceeding	100,000.00	100.00
Over	100,000.00	and not exceeding	150,000.00	125.00
Over	150,000.00	and not exceeding	200,000.00	150.00
Over	200,000.00	and not exceeding	300,000.00	200.00
Over	300,000.00	and not exceeding	500,000.00	250.00
Over	500,000.00	and not exceeding	750,000.00	300.00
Over	750,000.00	and not exceeding	1,000,000.00	500.00
Over	1,000,000.00	and not exceeding	2,000,000.00	750.00
Over	2,000,000.00	and not exceeding	4,000,000.00	1,000.00
Over	4,000,000.00	and not exceeding	6,000,000.00	1,250.00
Over	6,000,000.00	and not exceeding	8,000,000.00	1,500.00
Over	8,000,000.00	and not exceeding	10,000,000.00	1,750.00
Over	10,000,000.00	and not exceeding	12,000,000.00	2,000.00
Over	12,000,000.00	and not exceeding	14,000,000.00	2,500.00
Over	14,000,000.00	and not exceeding	16,000,000.00	3,000.00
Over	16,000,000.00	and not exceeding	18,000,000.00	3,500.00
Over	18,000,000.00	and not exceeding	20,000,000.00	4,000.00
Over	20,000,000.00	and not exceeding	22,000,000.00	4,500.00
Over	22,000,000.00	5,000.00



0501404014

Georgia Form 600 (Rev. 06/04)

Corporation Tax Return

Georgia Department of Revenue (Approved web version)

☐ Fill in circle if you DO NOT want a booklet next year**2004** Income Tax Return

Beginning _____

Ending _____

2005 Net Worth Tax Return

Beginning _____

Ending _____

Consolidated Return ☐Original Return ☐New Corporation ☐Initial Net Worth ☐Amended Return ☐Address Change ☐Name Change ☐Extension ☐Final ☐

A. Federal Employer I.D. Number	Name (Corporate title) Please give former name if applicable.	E. Date of Incorporation
B. GA. Withholding Tax Account Number	Business Address (Number and Street)	F. Incorporated under laws of what state
C. GA. Sales Tax Registration Number	City or Town County State Zip Code No.	G. Date admitted into GA
D. NAICS Code	Location of Books for Audit (city & state) Telephone Number	H. Kind of Business

Indicate latest taxable year adjusted by IRS ▶ _____

And when reported to Georgia ▶ _____

COMPUTATION OF GEORGIA TAXABLE INCOME AND TAX (ROUND TO NEAREST DOLLAR)**SCHEDULE 1**

1. Federal taxable income (Copy of Federal return and supporting schedules must be attached)	▶ 1.	
2. Additions to Federal income (from Schedule 4)	2.	
3. Total (add Lines 1 and 2)	3.	
4. Subtractions from Federal income (from Schedule 5)	▶ 4.	
5. Balance (Line 3 less Line 4)	5.	
6. Georgia net operating loss deduction (Attach Schedule)	▶ 6.	
7. Georgia taxable income (Line 5 less Line 6 or Schedule 7, Line 9)	▶ 7.	
8. Income Tax - (6% x Line 7)	8.	

COMPUTATION OF NET WORTH TAX

(ROUND TO NEAREST DOLLAR)

SCHEDULE 2

1. Total Capital stock issued	1.	
2. Paid in or capital surplus	2.	
3. Total retained earnings	3.	
4. Net worth (Total of Lines 1, 2, and 3)	▶ 4.	
5. Ratio (GA. and Dom. For. Corp.-100%) (Foreign Corp. - Line 4, Sch. 8)	▶ 5.	
6. Net worth taxable by Georgia (Line 4 x Line 5)	6.	
7. Net worth tax (From table in instructions)	▶ 7.	

COMPUTATION OF TAX DUE OR OVERPAYMENT

(ROUND TO NEAREST DOLLAR)

SCHEDULE 3

	A. Income Tax	B. Net Worth Tax	C. Total
1. Total Tax (Schedule 1, Line 8, and Schedule 2, Line 7)			1.
2. Less Credits and payments of estimated tax			2.
3. Less Credits from Schedule 9, Line 6*			3.
4. Withholding Credits (G2-A and/or G-2RP)			4.
5. Balance of tax due (Line 1, less Lines 2, 3, and 4) ...			5.
6. Amount of overpayment (Lines 2, 3, and 4 less Line 1)			6.
7. Interest due (See Instructions)			7.
8. Penalties due (See Instructions)			8.
9. Balance of Tax, Interest and Penalties due with return			9.
10. Amount of Line 6 to be credited to 2005 estimated tax ▶		Refunded ▶	

***NOTE:** Any tax credits from Schedule 9 may be applied against income tax liability only, not net worth tax liability.

ADDITIONS TO FEDERAL INCOME

(ROUND TO NEAREST DOLLAR)

SCHEDULE 4

1. State and municipal bond interest (other than Georgia or political subdivision thereof)
2. Net income or net profits taxes imposed by taxing jurisdictions other than Georgia
3. Expense attributable to tax exempt income
4. Net Operating loss deducted on Federal return
5. Other Additions
- TOTAL - Enter also on LINE 2, SCHEDULE 1

1.	
2.	
3.	
4.	
5.	

SUBTRACTIONS FROM FEDERAL TAXABLE INCOME

(ROUND TO NEAREST DOLLAR)

SCHEDULE 5

1. Interest on obligations of United States
2. Other Subtractions
- TOTAL - Enter also on LINE 4, SCHEDULE 1

1.	
2.	

APPORTIONMENT OF INCOME**SCHEDULE 6****(Part 1)****WITHIN GEORGIA****TOTAL EVERYWHERE**

	WITHIN GEORGIA		TOTAL EVERYWHERE	
	A. Beginning of Year	B. End of Year	A. Beginning of Year	B. End of Year
1. Inventories				
2. Buildings (cost)				
3. Machinery & Equipment				
4. Land				
5. Other Tangible Assets				
6. Total (Lines 1 through 5)				
7. Average (Add columns A & B and divide by 2)				
8. Rented Property (Annual Rate x 8)				
9. Total Property				

(Part 2)

	A. Within Georgia	B. Everywhere (If this figure is 0 see instructions on page 6)	C. Do not round Col (A)/Col (B) Compute to six decimals	D. Do not round Georgia Factor Compute to six decimals
1. Total Property (Part 1, Line 9)				x0.25
2. Salaries, commissions, wages & compensation				x0.25
3. Gross receipts from business				x0.50
4. Georgia ratio (Total Column D)				

COMPUTATION OF GEORGIA NET INCOME

(ROUND TO NEAREST DOLLAR)

SCHEDULE 7

1. Net business income (Schedule 1, Line 5)
2. Income allocated everywhere (Attach Schedule)
3. Business income subject to apportionment (Line 1 less Line 2)
4. Georgia Ratio (Schedule 6, Line 4, Part 2)
5. Net business income apportioned to Georgia (Line 3 x Line 4)
6. Net income allocated to Georgia (Attach Schedule)
7. Total of Lines 5 and 6
8. Less net operating loss apportioned to GA. (Attach Schedule)
9. Georgia taxable income (Enter also on Schedule 1, Line 7)

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	

COMPUTATION OF GEORGIA NET WORTH RATIO

(TO BE USED BY FOREIGN CORPS ONLY)

SCHEDULE 8

	A. Within Georgia	B. Total Everywhere	C. GA. ratio (A/B)
1. Total value of property owned (Total assets from Federal balance sheet)			
2. Gross receipts from business			
3. Totals (Line 1 plus Line 2)			
4. Georgia Ratio (Divide Line 3A by 3B)			

Copy of the Federal Return and supporting Schedules must be attached, otherwise this return is deemed incomplete. No extension of time for filing will be allowed unless copy of request for Federal extension or Form IT-303 is attached to this return.

Make check payable to: Taxpayer Services Division.

Mail To: Georgia Department of Revenue, Processing Center, P.O. Box 740397, Atlanta, Georgia 30374-0397

If claiming credits on Schedules 9 and/or 10, **Mail To:** Taxpayer Services Division, P.O. Box 49431, Atlanta, Georgia 30359-1431

Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

Declaration: I/We declare under the penalties of perjury that I/we have examined this return (including accompanying schedules and statements) and to the best of my/our knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, their declaration is based on all information of which they have any knowledge.

SIGNATURE OF OFFICER _____

DATE _____

SIGNATURE OF INDIVIDUAL OR FIRM PREPARING THE RETURN _____

TITLE _____

IDENTIFICATION OR SOCIAL SECURITY NUMBER _____

CLAIMED TAX CREDITS

(ROUND TO NEAREST DOLLAR)

SCHEDULE 9

See pages 15 through 18 for a list of available credits and their applicable codes. You must list the appropriate credit type code in the space provided. If you claim more than four credits, attach a schedule. Enter the total of the additional schedule on Line 5.

If the tax credit is flowing into this corporation from another corporation, please enter the name and FEI Number of the corporation where the tax credit originated. If the credit claimed is only a percentage of the total credit (i.e., another corporation has been assigned a percentage, as well), enter the percentage assigned to this corporation in the % column. If the credit originated with the corporation filing this return, enter "Same" in the spaces for corporation and FEIN and enter the percentage of credit claimed (i.e., 100, if claiming all of it; 33, if claiming 1/3).

	Credit Type Code	Corporation Name	FEIN	%		Amount of Credit
1.					1.	
2.					2.	
3.					3.	
4.					4.	

5. Enter the total from attached schedule(s) 5. _____
6. Enter the total of Lines 1 through 5 here and on Schedule 3, Line 3, Page 1 6. _____

ASSIGNED TAX CREDITS

(ROUND TO NEAREST DOLLAR)

SCHEDULE 10

Georgia Code Section 48-7-42 provides that in lieu of claiming any Georgia income tax credit for which a taxpayer otherwise is eligible for the taxable year, the taxpayer may elect to assign credits in whole or in part to one or more "affiliated entities". The term "affiliated entities" is defined as:

- 1) A corporation that is a member of the taxpayer's affiliated group within the meaning of Section 1504(a) of the Internal Revenue Code; or
- 2) An entity affiliated with a corporation, business, partnership, or limited liability company taxpayer, which entity:
 - (a) Owns or leases the land on which a project is constructed;
 - (b) Provides capital for construction of the project; and
 - (c) Is the grantor or owner under a management agreement with a managing company of the project.

No carryover attributable to the unused portion of any previously claimed or assigned credit may be assigned or reassigned, except if the assignor and the recipient of a tax credit assigned cease to be affiliated entities, any carryover attributable to the unused portion of the credit is transferred back to the assignor of the credit. The assignor is permitted to use any such carryover itself, and also shall be permitted to assign the carryover to one or more affiliated entities, as if such carryover were an income tax credit for which the assignor became eligible in the taxable year in which the carryover was transferred back to the assignor. In the case of any credit that must be claimed in installments in more than one taxable year, the election under this subsection may be made on an annual basis with respect to each such installment. For additional information, please refer to Georgia Code Section 48-7-42.

If the corporation filing this return is assigning tax credits to other affiliates, please provide detail below of where the tax credits are being assigned and what percentage is being allocated to each affiliate.

	Credit Type Code	Corporation Name	FEIN	%		Amount of Credit
1.					1.	
2.					2.	
3.					3.	
4.					4.	

If this corporation and its affiliates to whom credits are being assigned are filing as part of a Georgia consolidated return, you must provide the name and FEI number of the corporation under which the consolidated Georgia return is being filed to insure that the tax credits are properly applied

Corporation: _____ FEIN _____

GA NOL Carryover Worksheet

(ROUND TO NEAREST DOLLAR)

SCHEDULE 11

For calendar year or fiscal year beginning_____ and ending_____

Col. 1 Loss Year	Col. 2 Loss Amount	Col. 3 Income Year	Col. 4 NOL Utilized	Col. 5 Balance	Col. 6 Remaining NOL
NOL Carryover Available to Current Year					
Current Year Income / (Loss)					
NOL Carryover Available to Next Year					

INSTRUCTIONS

Column 1: List the loss year(s).

Column 2: List the loss amount for the tax year listed in Column 1.

Columns 3 & 4: List the years in which the losses were utilized and the amount utilized each year.

Column 5: List the balance of the NOL after each year has been applied.

Column 6: List the remaining NOL applicable to each loss year.

Total the remaining NOL (Col. 6) and enter in the space at the bottom of the worksheet for “NOL Carryover Available to Current Year”. Then insert “Current Year Income / (Loss)” in the space provided and compute the “NOL Carryover Available to Next Year” in the last space. Create photocopies as needed. **See example worksheet on page 9.**

GEORGIA NOL CARRYOVER WORKSHEET EXAMPLE

[illegible]

INSTRUCTIONS

Column 1: List the loss year(s).

Column 2: List the loss amount for the tax year listed in Column 1.

Columns 3 & 4: List the years in which the losses were utilized and the amount utilized each year.

Column 5: List the balance of the NOL after each year has been applied.

Column 6: List the remaining NOL applicable to each loss year.

Total the remaining NOL (Col. 6) and enter in the space at the bottom of the worksheet for “NOL Carryover Available to Current Year”. Then insert “Current Year Income / (Loss)” in the space provided and compute the “NOL Carryover Available to Next Year” in the last space. Create photocopies as needed.

IT-560C (Rev. 6/04)
FOR CORPORATION ONLY
Income/Net Worth Payment Voucher
(404) 417-2469



0501204013

MAIL TO:
Georgia Department of Revenue
Processing Center
P.O. Box 105246
Atlanta, GA 30348-5246

2004

<input type="checkbox"/> Corporate Income Tax	<input type="checkbox"/> Net Worth Tax	<input type="checkbox"/> New Corporation	<input type="checkbox"/> Address Change	<input type="checkbox"/> Name Change
FEI Number	Income Tax Year (mm/dd/yy)	Vendor Code N/A	Former Name if Applicable	
Current Name (Type or print plainly the exact Corporation Name)		Signature of Officer or Agent	Title	Date
Business Address		City	State	Zip Code

DO NOT STAPLE OR PAPER CLIP. REMOVE ALL CHECK STUBS **Amount Paid** \$ _____

IMPORTANT

THIS FORM IS TO BE USED BY **CORPORATE TAXPAYERS** ONLY FOR PAYMENT OF
INCOME TAX AND/OR NET WORTH TAX TENTATIVELY DETERMINED TO BE DUE.

Instructions for Form IT-560C

When a taxpayer receives an automatic extension of time in which to file a Federal return, Georgia will honor that extension. No penalty for late filing will be assessed if the Georgia return is filed by the extended due date of the Federal return. The extension is for filing the return and does not extend the time for paying the tax. The tax must be paid by the statutory due date. An extension of time for filing does not relieve the taxpayer of liability for interest or penalty for late payment of tax.

1. This form is to be used to submit any payment of tax when an extension is requested or in force.
2. The amount paid with this form should be claimed on the completed return as credits and payments.
3. This form must be submitted with remittance to pay at least 90% of the tax that will be due as reflected on the final return. If 90% of the tax is not paid by the original due date of the return, a penalty of 1/2 of 1% per month of the tax due will be assessed as a late payment penalty. The addition of this penalty does not relieve the taxpayer of liability for interest due on the unpaid balance of tax.
4. The amount paid is to be credited as a payment on the liability that may be due as indicated on the completed return. Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

If you have any questions call: (404) 417-2469

Make check payable to: Georgia Department of Revenue (Include FEI Number on check)

Mail the completed IT-560C with remittance to:

Georgia Department of Revenue
Processing Center
P.O. Box 105246
Atlanta, GA 30348-5246

CORPORATION ESTIMATED INCOME TAX INSTRUCTIONS

CORPORATIONS THAT MUST FILE ESTIMATED TAX

Every domestic or foreign corporation subject to taxation in Georgia shall pay estimated tax for the taxable year if its net income for such taxable year can reasonably be expected to exceed Twenty-Five Thousand Dollars (\$25,000.00).

All Corporate income tax must be paid directly to the Taxpayer Services Division. The estimated tax shall be paid on the specified dates so as to effect payment in full of the estimated tax by the 15th day of the twelfth month of the taxable year.

If the requirements to file estimated tax under Code Section 48-7-117 are first met as shown in the left-hand column of the following table, then the estimated tax shall be due as shown in the remaining columns.

The following percentages of estimated tax shall be paid on or before the fifteenth day of the:

	4th MONTH OF THE TAXABLE YEAR	6th MONTH OF THE TAXABLE YEAR	9th MONTH OF THE TAXABLE YEAR	12th MONTH OF THE TAXABLE YEAR
Before the first day of the fourth month of the taxable year.	25%	25%	25%	25%
After the last day of the third month and before the first day of the sixth month of the taxable year.		33 1/3%	33 1/3%	33 1/3%
After the last day of the fifth month and before the first day of the ninth month of the taxable year.			50%	50%
After the last day of the eighth month and before the first day of the twelfth month of the taxable year.				100%

NEW ESTIMATED TAX FILERS

If you determine that you are required to file estimated tax, please mail your initial payment along with Form 602-ES. The estimated tax worksheet and Form 602-ES are on Page 12. Include your corporate name, address, telephone number, Federal Employer Identification Number, and the taxable year. You will receive a personalized coupon booklet containing Form 602-ES to be used for remittance of the remaining installments. For more information, contact the Corporate Tax Section at 404-417-2469.

Form 602-ES shall be delivered or mailed to State of Georgia, Department of Revenue, P.O. Box 105246, Atlanta, Georgia 30348-5136. Check or money order for payment of tax should be made payable to: "Georgia Department of Revenue." Include Federal Employer Identification Number on check.

ELECTRONIC FUNDS TRANSFER

In accordance with Georgia Law (O.C.G.A. § 48-2-32(f)(2)), the Department currently requires corporate estimate taxpayers with quarterly payments of \$10,000 or more to make those payments via electronic funds transfer. You can also voluntarily participate in our electronic funds transfer program. For registration forms and information, visit our website at www.gatax.org or contact the EFT Section at (404) 417-2220, 1-800-659-1855, or via e-mail to doreft@gatax.org.

602ES (Rev.6/04)
Corporate Estimated Tax
Telephone No. (404) 417-2469



0560204013

MAIL TO:
Georgia Department of Revenue
Processing Center
P.O. Box 105246
Atlanta, GA 30348-5246

2005

or Fiscal Year Beginning 20 Ending 20 ☐ Name Change ☐ Address Change ☐ Tax Year Change

FEI Number	Tax Year	Year Ending	Due Date	Payment #	Vendor Code
BUSINESS NAME AND ADDRESS			I declare under the penalties of perjury that this information has been examined by me and to best of my knowledge and belief is true and correct. Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States free of any expense to the State of Georgia.		
			Signature _____ Title _____		
			Telephone _____	Date _____	

DO NOT STAPLE OR PAPER CLIP. REMOVE ALL CHECK STUBS Amount Paid \$ _____

SHORT TAXABLE YEAR

A separate estimate must be filed where a corporation is required to submit an income tax return for a period of less than twelve months. No estimate need be filed if the taxable year is a short period of less than four months, or if the taxable year is a short period of four or more months and the requirements specified are first met after the first day of the last month in the short taxable year.

Please Note: Corporations that are required to file estimated tax for a short taxable period or whose accounting period has changed should use Form 602ES and change dates to coincide with the short period. Mail payment to:

Georgia Department of Revenue
Processing Center
P.O. Box 105246
Atlanta, Georgia 30348-5246
Telephone No. (404) 417-2469

Failure to comply with the provisions of the law may result in a penalty of 5% of the income tax for failure to pay estimated tax and a charge at the rate of 9% per annum for underpayment of estimated tax.

CORPORATION ESTIMATED TAX WORKSHEET

1. Amount of taxable income expected during the current year \$ _____

2. Estimated Tax (6 percent of Line 1) \$ _____

3. Less Credit for 2004 overpayment if credit was elected on Form 600 \$ _____

4. Unpaid balance (Line 2 less Line 3) \$ _____

5. Computation of installment: (check box below and enter amount.) \$ _____

If first payment is ☐ April 15, 2005, enter 1/4 of Line 4 ☐ Sept. 15, 2005, enter 1/2 of Line 4
due to be filed on ☐ June 15, 2005, enter 1/3 of Line 4 ☐ Dec. 15, 2005, enter amount of Line 4

Amount Due \$ _____

Corporations filing on a fiscal year ending after January 1 must file on corresponding dates. See instructions.

DO NOT mail this entire page. Cut along dotted line and mail only coupon and payment
DO NOT STAPLE OR PAPER CLIP. PLEASE REMOVE ALL CHECK STUBS

EXTENSION INFORMATION FOR CORPORATIONS

Georgia Code Section 48-7-57 provides that a taxpayer need not apply for a Georgia extension if he applies for and receives an automatic six (6) month extension to file his Federal income tax return. The taxpayer must attach a copy of the extension granted by the Internal Revenue Service to his Georgia return. If the return is received within the time extended by the Internal Revenue Service and Form 7004 is attached to the return, no late filing penalties will be incurred.

Failure to attach a copy of the Federal extension will result in the return being considered filed late and penalties will be assessed!

If a Federal extension was not requested but an extension is necessary for filing the Georgia return, please submit your request on Form IT-303.

If an extension is granted but the tax was not paid by the statutory due date, then late payment penalties will be assessed until the tax is paid (income tax at 1/2 of 1% per month; net worth tax at 10%). Also, interest will be assessed at the rate of 12% per annum from the statutory due date until the tax is paid in full. Late payment penalties and interest accrue from the statutory due date regardless of an extension. Georgia law prohibits granting an extension of more than six months from the due date of the return.

Any payment made prior to the filing of a completed return must be accompanied by Form IT-560C and claimed on Schedule 3, Line 2. An extension of time does not alter interest or penalty charges for late payment of tax.

NOTE: Check the "Extension" box on Form 600 if a Federal or Georgia extension was granted. Failure to check the extension box will result in assessment of a late filing penalty.

TWO-DIMENSIONAL BARCODE RETURNS

Beginning with tax year 2001, the Department of Revenue started a method of processing tax returns containing a two-dimensional (2D) barcode. This method was implemented to assist with processing returns in a more accurate and timely manner. Returns with a 2D barcode process faster than regular paper returns and without data entry errors. A 2D barcode is similar to the one located on the back of your Georgia driver's license. Information from your return is captured into a machine-readable barcode rather than entered manually, which reduces the possibility of processing errors. The 2D barcode is visible only after your return has been printed.

Effective with tax year 2003, 2D barcodes became available on corporate tax returns. The Department of Revenue has given approval to certain software companies to produce tax programs that include a 2D barcode. A list of these companies is available on our website at www.gatax.org.

If you owe tax, mail your payment with Form PV-CORP in the same envelope with your return. Do not mail Form PV-CORP separately from your return or use it as a substitute for Form IT-560C. Failure to properly complete and mail Form PV-CORP could result in delayed or improper posting of your payment.

If your software program produces a 2D barcode return, mail your return to:

Refunds/Payments

Georgia Department of Revenue
Processing Center
P.O. Box 740397
Atlanta, GA 30374-0397

NOTE: The Department of Revenue encourages the use of 2D barcode returns; however, we neither support nor recommend any software company. Failure to mail your return to the correct address may cause processing delays.

ANNUAL REGISTRATION WITH THE SECRETARY OF STATE

All Georgia corporations and foreign corporations that “qualify” to do business in Georgia must file an annual registration with the Secretary of State (SOS). Registration, and the \$30 fee, is due between January 1 and April 1. The SOS will send a notice to the corporation’s principal office address in early January. Foreign corporations (those formed in a state other than Georgia) should determine the need to obtain a Certificate of Authority by reviewing O.C.G.A. § 14-2-1501. The statute can be read, and an application obtained, at www.georgiacorporations.org. Annual registration and certificate of authority obligations are separate from any filings with the Department of Revenue.

TAX EXEMPT ORGANIZATIONS

An organization that had tax exempt status with the Internal Revenue Service prior to January 1, 1987 is not required to apply to the Georgia Taxpayer Services Division for a tax exempt determination letter. Organizations that received IRS determination letters after that date, as well as any organization desiring a Georgia income tax determination letter for any reason, must file an application using Georgia Form 3605. A nonprofit corporate charter does not constitute exemption from income tax.

Each exempt organization must annually file a copy of the forms they file with the Internal Revenue Service, such as Federal Forms 990, 990-EZ, etc. The due date for filing a copy of the Federal return with Georgia is the same as the due date for filing with the Internal Revenue Service.

All correspondence and returns related to exempt organizations should be mailed to: Georgia Taxpayer Services Division, P. O. Box 740380, Atlanta, GA 30374-0380.

TELEPHONE ASSISTANCE

Centralized Taxpayer Registration Unit	404-417-4490
Compliance Division	404-417-6400
Corporation and Net Worth Tax Return Information	404-417-2427
Corporation Refund Inquiry	404-417-2427
Corporation Return Processing, Forms, Estimates and Prepayment of Tax	404-417-2409
Electronic Funds Transfer	404-417-2220 or 1-800-659-1855
Employee Withholding Information	404-417-2311
Estate and Tax Exempt Organization Information	404-417-2402
Income Tax Forms	404-417-6011
Individual Income Tax Return Information	404-417-2300
Secretary of State	404-656-2817
Taxpayer Services Division Director’s Office	404-417-2400

TAX CREDITS

<u>Credit Type Code</u>	<u>Description</u>
101	<p>Employer's Credit for Basic Skills Education. Businesses may benefit by providing or sponsoring basic skills education that enhances reading, writing, or mathematical skills up to and including the 12th grade or classes required to receive a GED certificate. The program is administered by the Department of Technical and Adult Education. For information, contact them at (404) 679-1625. This credit should be claimed on Form IT-BE. For more information, refer to O.C.G.A. § 48-7-41.</p>
102	<p>Employer's Credit for Approved Employee Retraining. The retraining tax credit allows some employers to claim certain costs of retraining employees to use new equipment, new technology, or new operating systems. The credit can be worth 50% of the direct costs of retraining full-time employees up to \$500 per employee per approved retraining program per year. The credit cannot be more than 50% of the taxpayer's total state income tax liability for a tax year. Credits claimed but not used may be carried forward for 10 years. For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at 404-679-1700. This credit should be claimed on Form IT-RC, with Program Completion forms signed by Department of Technical and Adult Education personnel attached. For more information, refer to O.C.G.A. § 48-7-40.5 and the Department of Technical and Adult Education website at: www.dtae.org/econdev/retrain.html.</p>
103	<p>Employer's Jobs Tax Credit. This credit provides for a statewide job tax credit for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries, but does not include retail businesses. If other requirements are met, job tax credits are available to businesses of any nature, including retail businesses, in counties recognized and designated as the 40 least developed counties.</p> <p>Tier 1 counties, the state's least developed counties, are ranked 1 through 71. Companies creating five or more new jobs in a Tier 1 county may receive a \$3,500 tax credit.</p> <p>Tier 2 counties are ranked 72 through 106. Companies creating 10 or more new jobs in a Tier 2 county may receive a \$2,500 tax credit.</p> <p>Tier 3 counties are ranked 107 through 141. Companies creating 15 or more new jobs in a Tier 3 county may receive a \$1,250 tax credit.</p> <p>Tier 4 counties are ranked 142 through 159. Companies creating 25 or more new jobs in a Tier 4 county may receive a \$750 tax credit.</p> <p>Credits similar to the credits available in Tier 1 counties are potentially available to companies in certain "less developed" census tracts in the metropolitan areas of the state. Note that average wages for the new jobs must be above the average wage of the county that has the lowest average wage of any county in the state. Also, employers must make health insurance available to employees filling the new full-time jobs. Employers are not, however, required to pay all or part of the cost of such insurance unless this benefit is provided to existing employees.</p> <p>Credits are allowed for new full-time employee jobs for five years in years two through six after creation of the jobs. In Tier 1 and Tier 2 counties, the total credit amount may offset up to 100% of a taxpayer's state income tax liability for a taxable year. In Tier 3 and Tier 4 counties, the total credit amount may offset up to 50% of a taxpayer's state income tax liability for a taxable year. A credit claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established. The measurement of new full-time jobs and maintained jobs is based on average monthly employment. Georgia counties are re-ranked annually based on updated statistics.</p> <p>In Tier 1 counties and "less developed" census tracts only, credits may also be taken against a company's income tax withholding. To claim the credit against withholding, a business must file Form IT-JOBW at least 30 days prior to filing the return on which the applicable jobs are claimed. Once the income tax return is filed, the Department has 60 days to review the withholding credit being claimed and notify the business of the approved credit and when and how it may be claimed.</p> <p>See the Job Tax Credit law (O.C.G.A. §§ 48-7-40 and 48-7-40.1) and regulations for further information. This credit should be claimed on Form IT-CA. An additional \$500 per job is allowed for a business situated in a county that belongs to a Joint Development Authority. For more information, refer to the Department of Community Affairs website at: www.dca.state.ga.us/economic/taxcredit.html.</p>
104	<p>Employer's Credit for Purchasing Child Care Property. Employers who purchase qualified child care property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. The qualified property credit may be carried forward for three years from the close of the taxable year in which the credit is claimed, and the limitation on the use of the credit in any one year is 50% of the employer's Georgia income tax liability for the tax year. Recapture provisions apply if the property is transferred or committed</p>

TAX CREDITS (continued)

Credit Type Code

Description

to a use other than child care within 14 years after the property is placed in service. This credit should be claimed on **Form IT-CCC100**. For more information, refer to O.C.G.A. § 48-7-40.6.

105 Employer's Credit for Providing or Sponsoring Child Care for Employees. Employers who provide or sponsor child care for employees are eligible for a tax credit of up to 75% of the employers' direct costs. The credit cannot be more than 50% of the taxpayer's total state income tax liability for that taxable year. Any credit claimed but not used in any taxable year may be carried forward for five years from the close of the taxable year in which the cost of the operation was incurred. This credit should be claimed on **Form IT-CCC75**. For more information, refer to O.C.G.A. § 48-7-40.6.

106 Manufacturer's Investment Tax Credit. Based on the same tiers as the Job Tax Credit program. It allows a taxpayer that has operated an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility in the state for the previous three years to obtain a credit against income tax liability. The credit is based on expenses directly related to manufacturing or providing telecommunications services. Taxpayers must apply (use **Form IT-APP**) and receive approval before they claim the credit on their returns. Taxpayers may choose either the job tax credit, the investment tax credit, or the optional investment tax credit, but only one. Companies expanding in Tier 1 counties must invest \$50,000 to receive a 5% credit. That credit increases to 8% for recycling, pollution control, and defense conversion activities. Companies expanding in Tier 2 counties must invest \$50,000 to receive a 3% tax credit. That credit increases to 5% for recycling, pollution control, and defense conversion activities. Companies expanding in Tier 3 or Tier 4 counties must invest \$50,000 to receive a 1% credit. That credit increases to 3% for recycling, pollution control, and defense conversion activities. This credit should be claimed on **Form IT-IC** and accompanied by the approved Form IT-APP. For more information, refer to O.C.G.A. §§ 48-7-40.2, 40.3, and 40.4.

107 Optional Investment Tax Credit. Taxpayers qualifying for the investment tax credit may choose an optional investment tax credit with the following threshold criteria:

Designated Area	Minimum Investment	Percent Tax Credit
Tier 1	\$ 5 Million	10
Tier 2	\$10 Million	8
Tier 3 or Tier 4	\$20 Million	6

Taxpayers must apply (use **Form OIT-APP**) and receive approval before they claim the credit on their returns. The credit may be claimed for 10 years, provided the qualifying property remains in service throughout that period. A taxpayer must choose either the regular or optional investment tax credit. Once this election is made, it is irrevocable. The optional investment tax credit is calculated based upon a three-year tax liability average. The annual credits are then determined using this base year average. The credit available to the taxpayer in any given year is the lesser of the following amounts:

1. 90% of the excess of the tax of the applicable year determined without regard to any credits over the base year average; or
2. The excess of the aggregate amount of the credit allowed over the sum of the amounts of credit already used in the years following the base year.

The credit must be claimed on **Form IT-OIT**. For more information, refer to O.C.G.A. §§ 48-7-40.7, 40.8, and 40.9.

108 Qualified Transportation Credit. This is a credit of \$25 per employee for any "qualified transportation fringe benefit" provided by an employer to an employee as described in Section 132(f) of the IRS Code of 1986. For more information, refer to O.C.G.A. § 48-7-29.3.

109 Low Income Housing Credit. This is a credit against Georgia income taxes for taxpayers owning developments receiving the federal Low-Income Housing Tax Credit that are placed in service on or after January 1, 2001. Credit must be claimed on **Form IT-HC** and accompanied by Form K-1 from the providing entity. For more information, refer to O.C.G.A. § 48-7-29.6.

110 Diesel Particulate Emission Reduction Technology Equipment. This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For more information, refer to O.C.G.A. § 48-7-40.19.

111 Business Enterprise Vehicle Credit. This credit is for a business enterprise for the purchase of a motor vehicle used exclusively to provide transportation for employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year. This credit cannot be claimed if the low and zero emission vehicle credit was claimed at the time the vehicle was purchased. For more information, refer to O.C.G.A. § 48-7-40.22.

TAX CREDITS (continued)

<u>Credit Type Code</u>	<u>Description</u>
112	<p>Research Tax Credit. A tax credit is allowed for research expenses for research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. The credit shall be 10 percent of the additional research expense over the “base amount,” provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986. The credit may be carried forward 10 years but may not exceed 50% of Georgia net income tax liability for the business after all other credits have been applied in any one year. (Note that the base amount must contain positive Georgia taxable net income for all years.) This credit should be claimed on Form IT-RD. For more information, refer to O.C.G.A. § 48-7-40.12.</p>
113	<p>Small Business Growth Tax Credit. A tax credit is granted for any business or headquarters of any business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries having a state net taxable income which is 20% or more above that of the preceding year if its net taxable income in each of the two preceding years was also 20% or more. The credit shall be the excess over 20% of the percentage growth and shall not exceed 50% of Georgia net income tax liability for the business after all other credits have been applied. The credit is available to companies whose total Georgia income tax liability does not exceed \$1.5 million. This credit should be claimed on Form IT-RG. For more information, refer to O.C.G.A. § 48-7-40.13.</p>
114	<p>Headquarters Tax Credit. Companies establishing their headquarters or relocating their headquarters to Georgia may be entitled to a tax credit if the following criteria are met: 1) At least fifty (50) headquarters jobs are created; and 2) within one year of the first hire, \$1 million is spent for construction, renovation, leasing, or other costs related to such establishment or relocation. Headquarters is defined as the principal central administrative offices of a company or a subsidiary of the company. The credit is available for establishing new full-time jobs only. To qualify, jobs must pay a salary, which is a stated percentage above the average county wage in which it is located as follows: Above the county average for Tier 1 counties, at least 105% of the average wage for Tier 2 counties, at least 110% of the average wage for Tier 3 counties, and at least 115% of the average wage for Tier 4 counties. The company has the ability to claim the credit on qualifying year one jobs in years one through five. The credit is equal to \$2,500 annually per new full-time job or \$5,000 if the average wage of the new full-time jobs is 200% or more of the average wage of the county in which the new jobs are located. The credit may be used to offset 100% of the taxpayer’s Georgia income tax liability in the taxable year. Where the amount of the credit exceeds the taxpayer’s tax liability in a taxable year, any excess may be taken as a credit against the taxpayer’s withholding tax. To claim the credit against withholding, a business must file Form IT-JOBW at least 30 days prior to filing the return on which the applicable jobs are claimed. Once the income tax return is filed, the Department has 60 days to review the withholding credit being claimed and notify the business of the approved credit and when and how it may be claimed. This credit should be claimed on Form IT-HQ. For more information, refer to O.C.G.A. § 48-7-40.17.</p>
115	<p>Port Activity Tax Credit. Businesses or the headquarters of any business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development that have increased their port traffic tonnage through Georgia ports during the previous 12-month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons, five containers, or ten 20-foot equivalent units (TEU’s) during the previous 12-month period, are qualified for increased job tax credits or investment tax credits. NOTE: Base year port traffic must be at least 75 net tons, five containers, or 10 TEU’s. Otherwise, these numbers will be used as the base. Companies must meet Business Expansion and Support Act (BEST) criteria for the county in which they are located. The job tax and investment tax credits are as follows:</p> <p>Tier 1 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p>Tier 2 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p>Tier 3 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p>Tier 4 companies: An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit. Companies that create 400 or more new jobs, invest \$20 million or more in new and expanded facilities, and increase their port traffic by more than 20% above their base year port traffic may take both job tax credits</p>

TAX CREDITS (continued)

<u>Credit Type Code</u>	<u>Description</u>
	and investment tax credits. The credit is claimed by filing the appropriate form for the applicable credit (Job Tax Form IT-CA or Investment Tax Form IT-IC) with the tax return and providing a statement with numbers to verify the increase in port traffic. For more information, refer to O.C.G.A. § 48-7-40.15.
116	Bank Tax Credit. All financial institutions that conduct business or own property in Georgia are required to file a Georgia Financial Institutions Business Occupation Tax Return, Form 900. Effective on or after January 1, 2001, a depository financial institution with a Sub S election can pass through the credit to its shareholders on a pro rata basis. For more information, refer to O.C.G.A. § 48-7-29.7.
117	Low Emission Vehicle Credit. This is a credit, of the lesser of 10% of the cost of the vehicle or \$2,500, for the purchase or lease of a new low-emission vehicle. There is also a credit for the conversion of a standard vehicle to a low-emission vehicle that is equal to 10% of the cost of conversion, not to exceed \$2,500 per converted vehicle. Certification approved by the Environmental Protection Division of the Georgia Department of Natural Resources must be included with the return for any credit claimed under this provision. A statement from the vehicle manufacturer is not acceptable. A low-emission vehicle is defined as a motor vehicle that is fueled solely by an alternative fuel and which meets emission standards for LEV or ultra-low emission vehicle (ULEV) as defined by the EPA, when operating on such alternative fuel. As defined in O.C.G.A. § 48-7-40.16, a low-emission vehicle does not include any gasoline-powered vehicles. Hybrid electric vehicles and gasoline low-emission vehicles do not qualify for this tax credit. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. § 48-7-40.16.
118	Zero Emission Vehicle Credit. This is a credit of the lesser of 20% of the cost of the vehicle or \$5,000, on the purchase or lease of a new zero-emission vehicle. Also there is a credit for the conversion of a standard vehicle to a zero-emission vehicle that is equal to 10% of the cost of conversion, not to exceed \$2,500 per converted vehicle. Certification approved by the Environmental Protection Division of the Georgia Department of Natural Resources must be included with the return for any credit claimed under this provision. A statement from the vehicle manufacturer is not acceptable. A zero-emission vehicle is a motor vehicle which has zero tailpipe and evaporative emissions as defined under the rules and regulations of the Board of Natural Resources and includes an electric vehicle whose drive train is powered solely by electricity, provided the electricity is not generated by an on-board combustion device. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. § 48-7-40.16.
119	Cigarette Export Credit. This is a tax credit for the shipment of cigarettes manufactured anywhere in the United States to a foreign country. For more information refer to O.C.G.A. § 48-7-40.20.
120	New Manufacturing Facilities Jobs Credit. In order to qualify, \$450 million in qualified investment property must be purchased for the project. The manufacturer must also create, at a minimum, 1,800 new jobs within a six-year period and can receive credit for a maximum of 3,300 jobs. After an affirmative review of their application by a panel, the manufacturer is rewarded with the new job tax credit. The credit is \$5,250 per job created. There is a 10-year carry-forward of any unused tax credit. For more information, refer to O.C.G.A. § 48-7-40.24.
121	Electric Vehicle Charger Credit. This is a credit for a business enterprise for the purchase of an electric vehicle charger located in the State of Georgia. The credit allowed is the lesser of 10% of the cost of the charger or \$2,500. For more information, refer to O.C.G.A. § 48-7-40.16.
122	New Manufacturing Facilities Property Credit. This is an incentive for a manufacturer who has operated a manufacturing facility in this state for at least three years and who spends \$800 million on a new manufacturing facility in this state. There is also the requirement that the number of full-time employees equal or exceed 1,800. However, these do not have to be new jobs to Georgia. An application is filed which a panel must approve. The benefit awarded to a manufacturer is a credit against taxes equal to 6% of the cost of all qualified investment property purchased or acquired. The total credit allowed is limited to \$50 million. The credit offsets any income tax and any excess is allowed as a credit to offset withholding taxes. There is a 15-year carry-forward of any unused tax credit. For more information, refer to O.C.G.A. § 48-7-40.25.
123	Historic Rehabilitation Credit. A nonrefundable credit not to exceed \$5,000 will be available for the certified rehabilitation of a certified structure or historic home. Standards set by the Department of Natural Resources must be met. The credit is applicable to taxable years beginning on or after January 1, 2004. This credit should be claimed on Form IT-RHC . For more information, refer to O.C.G.A. § 48-7-29.8 or the Department of Natural Resources website at: www.hpd.dnr.state.ga.us/content/displaycontent.asp?txtDocument=35 .

For more details about tax credits and the latest forms, please visit our website at:
www2.state.ga.us/departments/dor/inctax/taxcredits.shtml.

DOUBLE CHECK

- √ Please review your completed return.
- √ Did you use the label? If so, is all information on the label correct?
- √ If you did not use the label, are your corporate name, address, and Federal I.D. Number shown correctly on the return?
- √ Is the taxable year shown on your return?
- √ Did you receive an extension of time to file your return? If so, have you attached a copy of your extension? Did you check the extension box on Form 600?
- √ Have you attached a copy of your Federal Form 1120 and supporting schedules?
- √ If there is a tax due (on Schedule 3, Line 9), have you attached your remittance, payable to: Georgia Department of Revenue? (To ensure proper credit, put your Federal I.D. Number and the applicable tax year-end on your remittance.)
PLEASE DO NOT MAIL YOUR RETURN AND CHECK SEPARATELY!
- √ If there is an overpayment (on Schedule 3, Line 6), did you show the amount to be refunded and/or credited to estimated tax (on Schedule 3, Line 10)?
- √ Have you addressed your envelope properly? Do not send your Georgia Form 600 to the Internal Revenue Service.
- √ If you claimed Georgia Business credits, did you attach the required schedules or forms?

COMMON ERRORS THAT DELAY REFUNDS AND CREATE ASSESSMENTS

1. Incorrect addresses and Federal I.D. Numbers.
2. Failure to indicate the applicable tax year-end.
3. An incomplete Georgia return that references attached schedules.
4. Incorrect consolidation of net worth tax for parent and subsidiary corporations.
5. Claiming prepayments remitted under another name, Federal I.D. Number, or taxable period without attaching a schedule of detailed information.
6. "S" corporations filing on Form 600. The correct form is Form 600S.
7. Improper enclosure of Form IT-552 Application for Tentative Carry-back Adjustment. Form IT-552 should be attached to the front of the Loss-Year return. Do not attach Form IT-552 to a duplicate original return.
8. Failure to include BEST credit schedules and withholding Forms G2-A and G-2RP.

STATE OF GEORGIA
DEPARTMENT OF REVENUE
TAXPAYER SERVICES DIVISION
1800 CENTURY BLVD., 10TH FLOOR
ATLANTA, GEORGIA 30345-3205

PRSRT STD
US POSTAGE PAID
LANCASTER PA
PERMIT NO. 123

TO: _____

